

Thai News Update: 8 May 2018

1. Private-Sector Optimism Sets In

Source: The Nation ([Link](#))

The country's peak private-sector advisory grouping is sticking with its estimates for the economy to grow as much as 4.5 per cent alongside an increase in exports of up to 8 per cent for this year after economic gauges in the first quarter pointed to sustained momentum. The Joint Standing Committee on Commerce, Industry and Banking (JSCCIB) held firm on the projections at its May meeting. The low end of its estimated range for growth in gross domestic product is 4 per cent and, for exports, 5 per cent. Suphan Mongkolsuthree, the Federation of Thai Industries' (FTI) chairman who chaired the JSCCIB meeting this month, said that exports and tourism had continued to expand. The committee expects economic expansion of 4 per cent for the first quarter of this year. Suphan flagged as areas of concern the disputes between the United States and many of its trading partners, the uncertainties over the future of a deal to curb Iran's nuclear plans, and the pace of increases by the US Federal Reserve in its benchmark interest rates.

2. Migrant Labour Cap Piques Businesses

Source: Bangkok Post ([Link](#))

Business operators are crying foul over a new law that caps the share of migrant workers at 20%, saying the regulation poses a "critical obstacle" for small and medium-sized enterprises (SMEs) struggling to cope with labour shortages. The Act on the management of migrant labour will cap their employment at 20% of a company's workforce, effective from July 1 onward. The law was passed by the National Legislative Assembly in April, and will cover all migrant labourers regardless of whether they are hired in Thailand, according to the government's memorandum of understanding. Supant Mongkolsuthree, chairman of the Federation of Thai Industries (FTI), said the private sector does not understand why the government has to regulate the share of migrant workers in each company, because there has been a labour shortage for several years. There are 3 million SMEs in the country, accounting for 99.7% of businesses, and they employ 11 million people. SMEs are estimated to hire roughly 10 million migrants workers, both legally and illegally.

3. Gsb Eyes 15% Return From Sme, Startup Investments

Source: The Nation ([Link](#))

Government Savings Bank (GSB) has earmarked Bt2 billion for investments in small and medium-sized enterprises (SMEs) and startup ventures over the next two years under a support plan that it expects will reap investment returns of more than 15 per cent, the bank's president and chief executive officer Chatchai Payuhanaveechai said. Chatchai said that this year the bank has invested in 10 SMEs and startup firms for a combined Bt279 million under the joint-venture programme. About 20 other firms are under consideration for investment support valued at up to Bt900 million, he told a press conference, adding that decisions regarding the second batch of firms would be made this year. Most of the first batch of companies are engaged in innovative technologies that have scope to boost the development of the bank's business platform to better equip it for the digital economy era. The lender cited as examples its investments as diverse as robotics for smart farming, a cloud accounting platform, a monitoring and data analytics company, social media management, a loyalty card programme, digital marketing, online books and magazines, and visual effects and production houses. Chatchai said that investments in startups and SMEs usually take about four years to lay the foundations for business growth. In the following four years, the promising enterprises would start to generate profits and pay dividends to their investors. In the two years beyond that, the bank would consider whether to sell its stakes in these ventures.

4. Japanese Developers Flock To Thai Property Market

Source: Japan Times ([Link](#))

Japanese real estate firms are flocking to the Thai property market, joining forces with local partners to cash in on growing demand for homes. Tokyo Tatemono Co., a major developer in the Tokyo metropolitan area, is the latest entrant into Southeast Asia's second-largest economy, even as the condominium supply in Bangkok is beginning to swell. The company recently signed a joint venture agreement with Raimon Land Public Co. to implement a 9.1 billion baht (\$288 million) development involving two high-rise condo complexes, one in Sathorn and the other in Prompong both in the heart of the capital. It is the first real estate project in Thailand for Tokyo Tatemono, which is over 100 years old. Elsewhere in Southeast Asia, the company is taking part in development projects under way in Singapore and Myanmar. About 400 units will be built in total,

each with an asking price of more than 10 million baht. Construction is scheduled to start later this year and completion is planned for 2021. Japanese developers have been flocking to Thailand since Mitsui Fudosan Co., a leading real estate firm at home, tapped the market by teaming up with Ananda Development Public Co. in 2013 for a project involving 1,875 residential units. Major rivals such as the Mitsubishi Estate group, Tokyu Corp. and Nomura Real Estate Development Co. followed suit via local partnerships.

5. Companies Pitch Plans To Boost Northeast

Source: The Nation ([Link](#))

The Provincial Federations of Thai Industries (FTI) have proposed development projects that would benefit the Northeast, including artificial lakes in Surin province. The industry grouping also wants to see an inland container depot in Nakhon Ratchasima and improved facilities for motor sport events in Buri Ram. The wish list was put forward after Industry Minister Uttama Savanayana and Deputy Minister Somchai Harnhirun paid visits to Surin and Buri Ram provinces during the third mobile Cabinet meeting of the year. The ministers had discussions with representatives of the private sector. The FTI in Surin proposed that disused mines be developed into bodies of water suitable for water-based tourism under what could become a “Surin model”. In the initial phase, the local state and private sectors would join up to develop and revive the natural resources. The inland container depot project in Nakhon Ratchasima has been proposed as an extension to a zone for repairs of containers and for it serve as a project that boosts logistics services for manufacturing. For the motor sport project in Buri Ram, its backers want to see the province entrench itself on the international circuit, drawing large numbers of racing teams and fans.